

2014

Advisory Committee on the Commercial Operations of  
Customs and Border Protection (COAC)

Subcommittee on Exports

## Master Principles for a One U.S. Government at the Border Cooperation for Exports

Foundational principles required to position the U.S. government to efficiently manage strategic cross border issues in a manner that reduces the cost of doing business.

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## I. Introduction, Purpose, and Goals

The Advisory Committee on Commercial Operations of Customs and Border Protection (COAC), Exports Subcommittee, presents the foundational principles required to position the U.S. to efficiently manage strategic cross border issues in a manner that reduces the cost of doing business and protects the economic security of the United States. The goals are to promote an interagency cooperation that builds trust across U.S. Customs and Border Protection (CBP), Export Partnering Government Agencies (Export PGAs), and the U.S. trade community and to execute the strategies associated with the National Export Initiative (NEI) and Export Control Reform (ECR). This document incorporates principles and standards found in the World Customs Organization (WCO) SAFE Framework of Standards to Secure and Facilitate Global Trade and in the NEI and ECR strategies.

These principles establish a government/trade foundation upon which to build the future of data exchange, the determination of engagement expectations, and the development of a cooperative approach to achieve the appropriate risk-based strategies and standards that secure cargo movement and facilitate trade at the speed of business.

## II. Principles:

A. **Government Partnership and Trade Input:** All U.S. Government agencies involved in the export process must work together to share data and address common concerns for U.S. outbound cargo for all modes. The formulation of cross-government leadership councils that focus on exports and receive regular inputs from the trade, as with the Border Interagency Executive Council (BIEC) or other relevant body, are critical to align the key collective strategic focus areas of the U.S. government and to facilitate the bi- and cross-directional dialogue that is essential to promote U.S. economic competitiveness and security. This structure should facilitate the international government dialogue while considering global business and the global supply chain.

### 1. Government Agency to Government Agency Cooperation:

Leveraging the work already underway within the BIEC or other relevant body, government agencies should continue to focus on strengthening partnerships, sharing information, policy/process/risk integration, and the exchange of data. CBP can play a coordinating role in these efforts, for example through an account management program focused on the export industry, to ensure a consistent message.

### 2. Government Information Sharing:

a) Replacing manual processes with automated processes should promote USG data sharing, facilitate timely issue resolution, assist in reducing inconsistencies across ports and between government agencies, and increase transparency.

b) Countries that have signed the WCO SAFE Framework are required to implement advance data requirements based on risk. Implementation of advance data requirements will require changes to existing post departure reporting processes. Exporters may incur costs to re-engineer and implement new trade processes. To mitigate costs, a future state incorporating advanced data should deliver aggregate process efficiencies that can be used to offset the trade's cost of implementation and maintenance. Advanced data achievement should leverage piloted and proven processes and data for advanced manifests, should revisit data element/process applicability for exports, and should be used for intelligent and efficient risk-based targeting purposes.

c) Consideration should be given to facilitating trade by allowing exporters identified as low-risk to provide advanced data about their businesses, their business partners, and the characteristics of their shipments. As long as the parties and shipments remain within set parameters (e.g., same carrier, broker, origin, destination and commodity), information on individual shipments would be provided periodically. This could be a daily, weekly or monthly summary of shipments for government reporting purposes.

d) The scope includes targeting and profiling (analysis and findings) and the ability for each agency to establish and retain their individual definitions of “High-Risk” cargo.

3. Account Based:

Establishing export accounts with an assigned government account manager partner should promote compliance, efficiency, risk mitigation, and bi-directional education. The trade should be responsible to establish their account structure and key points of contact with government account manager acknowledgement. The account based program should report regularly to BIEC (or relevant council) and should be organized within export industry-focused centers to ensure prioritization of trade matters.

4. Partnership Programs:

a) As a long-term plan, the trade envisions a greater use of partnership programs targeted to exporters. Partnership programs should be co-created between Government and business and provide clear goals and benefits to the trade. The consideration of cross- agency harmonization upon program creation should benefit businesses and increase participation so as to timely meet program goals. Cross-agency partnership programs should clearly define the lead agency, define the trade and agency roles and responsibilities, and implement best practices as established by current U.S. Customs and Border Protection partnership programs.

- b) Mutual recognition across all agencies within USG:
  - (1) Mutual recognition should harmonize program elements (for example security or training requirements across different government programs).
  - (2) Each agency should have their pre-defined participation standards; however, efforts should be made to reduce redundancies and leverage existing standards that accomplish the same goal. Mutual recognition between programs should be a key factor between existing agency partnership programs criteria, verifications and validations.
- c) Periodic review / re-validation / self-assessment:

Where possible, U.S. government agencies should coordinate their reviews of trusted partners, in order to gain efficiencies and reduce duplicate or redundant work for both trade and government.
- d) Voluntary program:
  - (1) Participation in Trusted Trader Programs should remain voluntary in nature.
  - (2) The application process should be centralized and contain a core set of data that is applicable across all agencies, with the ability of the applicant to then provide additional data that is agency-specific for those agencies where trusted trader status is desired.
  - (3) Suspension/removal from a program should be based on the agency set of standards, but must have a formal appeals process to provide members an opportunity to apply corrective actions. Suspension of benefits for specific agency infractions should not automatically suspend or remove other agency benefits where the member is still meeting requirements.

(4) Partnership programs should recognize that there are different levels of risk. Given the complex nature of managing international business, the focus of both government and program participants should be on remediation of issues and on an account's overall system of internal controls. Dismissal from programs should only result from high risk or serious infractions.

e) Leverage Existing Framework

The existing framework for partnership programs should be leveraged. Established programs for cargo security as well as other programs that facilitate trade flows should be identified and recognized as a base line for companies to review and be acknowledged by Government agencies, in order to make the process as efficient as possible for government and businesses.

B. **Mutual Accountability and Responsibility:** The cooperation is designed to encourage the government and trade to operate with greater transparency and enhanced partnership in order to achieve strategic goals.

1. Trade:

- a) The trade should be responsible for providing any feedback to the government account manager regarding trend assessment, best practices and the identification of industry or company practice changes.
- b) The trade should be responsible for establishing the partnership and meeting partnership guidelines. In exchange, the trade should obtain “authorized status” from CBP and the relevant/applicable Export PGA(s).
- c) Through the partnership, each exporter should designate a Principal Point of Contact (PPC) to address Export PGA matters. Individual(s) should have signatory authority/authorization in order to realize the long-term vision of a paperless export environment. Exceptions should be made as appropriate by business or industry since additional Export PGA points of contact may be required on the part of companies.

2. Government and Trade:

- a) A multi-tiered approach to facilitation and compliance modernization: The cooperation should have similar and predictable process to establish guidelines, understand and characterize the threats, and monitor for improved or relaxed guidelines. Such similarities ensure program flexibility that can be adapted to future changes in business practices, threats, or regulatory requirements.
- b) Management across a government matrix should address matters within an industry for a single Export PGA or multiple Export PGAs, or across industries for a single Export PGA.
- c) A strategic partnership should continue to exist between ITDS/BIEC (and any other relevant body) and COAC.



d) A strategic approach to connect advisory committees should be implemented in order to ensure proper stakeholder alignment and ensure delivery of whole-of-government recommendations that consider agency impact.

e) Participant Performance Monitoring should include measures to determine continued partnership program participation, to communicate participation costs and benefits, particularly as they relate to freight dwell or entry processing time benefits, and to communicate the effectiveness of enforcement strategies and new programs.

3. Government:

a) The cooperation should create a centralized point for managing by account across government agencies.

b) The government to government sharing of information should ensure data integrity, governments should prevent changes from unauthorized sources, and penalty structures should promote data accuracy for trusted exporters.

c) Government information and guidelines should be maintained by the BIEC or relevant body in order to allow unified communication of changes across agencies and to harmonize approach and policies.

d) The government should leverage Export Principal Point of Contact (PPC) within the export industry-focused centers to facilitate bi-directional education within an industry and across industries.

e) The government should leverage COAC, other agency advisory committees, and Trade Leadership to align strategies.

f) The government should establish a clear process for escalating issues, including dispute resolution and mitigation requests.

g) The government should engage in dialogue with the exporting account leader regarding trends, best practices, and partnership programs.

- h) The government should harmonize metrics / data
  - (1) Mutual accountability with established key performance indicators across government, specific to an Export PGA and across an industry
  - (2) Commitment to rapid issue resolution
  - (3) Commitment to review historical data to identify and address trends in performance over time

**C. Consultation, Cooperation, and Communication**

Consult regularly on matters of mutual interest including supply chain security and facilitation measures that do not jeopardize enforcement efforts. Such consultation could be warranted in cases of Government to Business, Business to Government, and Agency to Agency.

**D. Single Window**

- a) Unified targeting, coordinated release, and a single correction point for all agencies should enhance efficiencies.
- b) The goal of a single window system is to release goods quickly with the lowest cost.
- c) A single window system should provide all authorized Export PGAs with appropriate access to review specific data submitted by a filer/exporter. Additionally, the single window system should be used to issue a unified response to the trade.
- d) A single window system should include a central repository that stores a member exporter's ongoing profile covering all applicable agency programs.
- e) The single window system should utilize one message set or system that is recognized by all Export PGAs.

### **III. Closing**

The trade community has designed these principles with the intent of advancing the private sector's relationship with government, and the relationship between agencies within the government. It is essential to the competitiveness of the United States that the government and the private sector work together to modernize the export process in order to lower the transaction costs associated with international trade. The ideals outlined above represent an attempt to modernize trade procedures and to drive a streamlined approach for the trade community and government.

This document should be considered a furtherance of the 2012 import-focused work contained in the COAC One US Government at the Border Subcommittee's "Master Principles for a One U.S. Government at the Border Cooperation" document.